



M&A Advisory and Exit Strategy Planning
Firm for the Middle Market

Mid-Market Matters:

Messages from the front line of Entrepreneurs working on Exits

Nick Barrow, SVP at Frontline Capital Partners shares a recent example of a successful Entrepreneur who worked with Frontline to assist him in successfully exiting his business.

“Before engaging Frontline, a recent client was actively looking to sell their business without an advisor. In fact, they had approached a likely buyer candidate and progressed reasonably far in exchanging information and discussing deal price and structure before the potential buyer backed out.

When we spoke with the client after their deal fell through it became clear that although the client was actively looking to sell, they did not clearly understand how to identify their ideal buyer, how to engage and manage multiple potential buyers to drive up the value of the transaction and how to strategically present the business to shorten the timeline from engaging a buyer to closing a deal.

This is not that unusual, a recent Price Waterhouse Cooper survey confirmed that 85% of business owners have no formal Exit Strategy in place and that is why, according to the Exit Planning Institute, only 1 in 4 businesses that go to market actually sell.

Frontline worked with the client over a 6 month period to qualify the terms of value and deal structure and to manage the sale process from start to finish. We achieved a 20% valuation premium over the clients initial expectations by utilizing our proven deal management process and transaction experience, confidentially approaching only buyers who could execute a deal acceptable to the client and actively managing the transaction to a close.”

Achieving a 20% price premium was a fantastic result for our client and it reinforces the power of a plan and an experienced partner. Frontline’s proven process ensured that our client maximized the value of their investment and exited their business very happy with the outcome. So why is it that recent research revealed that 75% of other business owners who exited their companies were unhappy with the results? Why isn’t everyone as happy with the results of the sale process as Frontline’s clients are?

In our experience, Exit Planning tends not to be given the focus other aspects of a business get, Entrepreneurs don’t always focus on the end game. Almost 2 in 10 business owners have no plan on the who, how and when to turn their investment into an exit they will be happy with. Owners are potentially not realizing the full value of their company because they don’t know when and how to exit the business. Considering that 70% of business owners say they are relying on the sale of their business to fund the majority of their retirement, having the right advisor who can optimize the timing and value of your exit is extremely important.

That is where Frontline can help. We’ve been there, we’re Entrepreneurs ourselves, business owners who’ve exited businesses successfully and helped others to do so. We know the value of your time as well as the value of having the right team in your corner to help you visualize, plan and execute your Exit Strategy.

Our initial goal with this communication is to start a dialog with you, 15 minutes of your time to understand your goals, where you are in your Exit Planning process and how Frontline could assist in making those goals a reality on a timeline that meets your expectations.

When you’re ready to take that step, reach out to me and let’s schedule that first 15 minute call.

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